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FISCAL IMPACT STATEMENT

LS 7160

BILL NUMBER: SB 510

NOTE PREPARED: Apr 10, 2013

BILL AMENDED: Apr 10, 2013

SUBJECT: Substitute Natural Gas Contracts.

FIRST AUTHOR: Sen. Eckerty

FIRST SPONSOR: Rep. Crouch

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill requires all parties to a contract concerning substitute natural gas (SNG) that is submitted to the Utility Regulatory Commission (IURC) to submit to the IURC, the Governor, and, in an electronic format, the General Assembly, the names and percentage interest of all owners of all parties to the contract. It also requires the parties to update the information annually.

The bill requires an employee of a producer of SNG to be a resident of Indiana, with certain exceptions.

The bill requires the IURC to conduct an administrative review not later than May 25, 2013, to determine whether the Indiana Finance Authority or the General Assembly should avoid a final purchase contract for SNG due to changing circumstances in the natural gas and coal markets. It requires the IURC to submit an advisory report of the administrative review to the Governor and, in an electronic format, the Legislative Council. It provides that the advisory report is not subject to judicial review.

The bill requires the IURC to study the sales price of natural gas and report the study results to the Regulatory Flexibility Committee in an electronic format not later than November 1, 2013.

Effective Date: Upon passage; May 15, 2013.

Explanation of State Expenditures: (Revised) The activities specified in the bill relating to an IURC administrative review relating to natural gas and coal supplies and prices or to conduct a study of the natural gas market are within the usual and customary operations of the IURC. As a result, the IURC should be able to implement the provisions of the bill within its current resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IURC.

Local Agencies Affected:

Information Sources:

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